

*What Every Member of the
Trade Community Should Know About:*

Foreign Assembly of U.S. Components



An Informed Compliance Publication

Revised June 2001

U.S. CUSTOMS

NOTICE:

This publication is intended to provide guidance and information to the trade community. It reflects the Customs Service's position on or interpretation of the applicable laws or regulations as of the date of publication, which is shown on the front cover. It does not in any way replace or supersede those laws or regulations. Only the latest official version of the laws or regulations is authoritative.

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PREFACE

On December 8, 1993, Title VI of the North American Free Trade Agreement Implementation Act (Pub. L. 103-182, 107 Stat. 2057), also known as the Customs Modernization or “Mod” Act, became effective. These provisions amended many sections of the Tariff Act of 1930 and related laws.

Two new concepts that emerge from the Mod Act are “***informed compliance***” and “***shared responsibility***,” which are premised on the idea that in order to maximize voluntary compliance with Customs laws and regulations, the trade community needs to be clearly and completely informed of its legal obligations. Accordingly, the Mod Act imposes a greater obligation on Customs to provide the public with improved information concerning the trade community's rights and responsibilities under the Customs and related laws. In addition, both the trade and Customs share responsibility for carrying out these requirements. For example, under Section 484 of the Tariff Act as amended (19 U.S.C. §1484), the importer of record is responsible for using reasonable care to enter, classify and determine the value of imported merchandise and to provide any other information necessary to enable Customs to properly assess duties, collect accurate statistics, and determine whether other applicable legal requirements, if any, have been met. The Customs Service is then responsible for fixing the final classification and value of the merchandise. An importer of record's failure to exercise reasonable care could delay release of the merchandise and, in some cases, could result in the imposition of penalties.

The Office of Regulations and Rulings has been given a major role in meeting Customs informed compliance responsibilities. In order to provide information to the public, Customs has issued a series of informed compliance publications, and videos, on new or revised Customs requirements, regulations or procedures, and a variety of classification and valuation issues.

The Commercial Rulings Division of the Office of Regulations and Rulings has prepared this publication on ***Foreign Assembly of U.S. Components*** as part of a series of informed compliance publications regarding the classification and origin of imported merchandise. We sincerely hope that this material, together with seminars and increased access to Customs rulings, will help the trade community to improve, as smoothly as possible, voluntary compliance with Customs laws.

The material in this publication is provided for general information purposes only. Because many complicated factors can be involved in customs issues, an importer may wish to obtain a ruling under Customs Regulations, 19 CFR Part 177, or to obtain advice from an expert who specializes in customs matters, for example, a licensed customs broker, attorney or consultant. Reliance solely on the information in this pamphlet may not be considered reasonable care.

Comments and suggestions are welcomed and should be addressed to the Assistant Commissioner at the Office of Regulations and Rulings, U.S. Customs Service, 1300 Pennsylvania Avenue, NW, Washington, D.C. 20229.

Stuart P. Seidel,
Assistant Commissioner
Office of Regulations and Rulings

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Introduction

Subchapter II, Chapter 98 of the Harmonized Tariff Schedule of the United States (HTSUS) contains several provisions which provide preferential tariff treatment for qualifying articles which have been exported, advanced or improved abroad and subsequently returned to the United States. This publication discusses the partial duty exemption provided by subheading 9802.00.80, which is applicable to imported articles which have been assembled abroad from fabricated components that are a product of the United States.

This informed compliance publication is a revision of Customs Publication No. 536, *“Foreign Assembly of U.S. Components,”* last revised in December 1996. Like its predecessor, this publication is intended for use as a general guide only, and does not supercede any Customs laws, regulations or rulings. If there are technical questions, they should be addressed to the Commercial Rulings Division of the Office of Regulations and Rulings. The address for this office appears on the front page of these materials.

General 9802.00.80 Provisions

All merchandise imported into the customs territory of the United States is subject to duty on its full value unless specifically excepted. However, with the exception of certain special programs described below for products assembled in sub-Saharan African or Caribbean Basin which grant duty-free treatment when the special terms are met, subheading 9802.00.80 provisions permit a reduction in duty (duty allowance) for the value of the components manufactured in the U.S. and assembled abroad.¹ Therefore, an article entered under this tariff provision is subject to duty upon the full value of the imported assembled article, less the cost or value of the U.S. components [Note: the cost or value factors which are necessary under the provisions of subheading 9802.00.80 are discussed under the section addressing **Valuation**.] As with other provisions of Chapter 98, subheading 9802.00.80 is conditional in nature, and an importer must comply with the documentary requirements of section 10.24, Customs Regulations (19 CFR 10.24), to receive the benefit of this provision. Subheading 9802.00.80 *involves a deduction from total duties due, not a different rate of duty* – the same basic tariff classification and rate of duty applies whether or not an article is eligible for subheading 9802.00.80 treatment. Therefore, to establish the appropriate amount of the duty allowance, complete and detailed data must be submitted regarding the imported article together with sufficient information to establish to Customs the value and origin of the U.S.-manufactured components.

No one format for the submission of data is mandated; it may vary with the type of merchandise, the type of assembly operation involved, and the accounting procedure

¹ There are special rules for certain textile and apparel articles assembled in certain sub-Saharan African or Caribbean Basin countries and Mexico from fabrics wholly formed and cut in the U. S. These are discussed below in the section entitled **Special Programs and Special Rules**.

and capabilities of the importer. Importers may contact the port of entry to consult with the Customs import specialist who is responsible for the classification and appraisement of the merchandise in question to develop a format which is within the practical capability of the importer and provides all the information required by Customs.

Failure to furnish the necessary data **or** failure to establish the origin of the U.S.-manufactured components and the exact nature of the assembly operation may result in an inability to obtain the permissible allowance under subheading 9802.00.80.

Applicability of Subheading 9802.00.80

Subheading 9802.00.80, HTSUS, provides a partial duty exemption for articles assembled abroad in whole or in part of fabricated components, the product of the United States, which:

- (a) were exported in condition ready for assembly without further fabrication;
- (b) have not lost their physical identity in such articles by change in form, shape or otherwise;
- (c) have not been advanced in value or improved in condition abroad except by being assembled and except by operations incidental to the assembly process such as cleaning, lubrication, and painting.

All three requirements of HTSUS subheading 9802.00.80 must be satisfied before a fabricated component may receive a duty allowance.

“Fabricated” Components

Materials undefined in final dimension and shape, which are cut into specific shapes or patterns abroad, are not considered fabricated components. For example, materials such as lumber, leather, sheet metal and plastic sheeting which are exported in basic shapes and forms and subsequently cut to a pattern to be fabricated into components for assembly are not eligible for treatment as “fabricated” components. Likewise, uncut textile fabric exported in bolts and cut to pattern (other than length) does not qualify as a “fabricated” component. Articles identifiable in their exported condition as components or parts of the article into which they will be assembled, such as transistors, diodes, integrated circuits, machinery parts, or precut parts of wearing apparel, are regarded as fabricated components. Other illustrations of types of articles that constitute “fabricated” components can be found in the Customs regulations at 19 CFR 10.14.

Country of Origin Requirement for Fabricated Components

Only fabricated components that are the product of the United States may qualify for the duty allowance. Foreign made articles or materials imported into the United States may qualify only where they subsequently undergo a process of manufacture in the United States that results in a substantial transformation of the imported product into a

new and different product, with a new name, character and use which is different from that possessed by the article or material before the manufacturing process. The mere finishing or modification of a partially or nearly complete foreign product will not result in a substantial transformation, and such materials will retain their foreign origin. Therefore, articles previously imported and duty paid, which do not undergo substantial transformation in the United States and subsequently exported for assembly abroad, are fully dutiable upon return to the U.S. *The payment of U.S. duty does not make foreign merchandise a product of the United States for purposes of subheading 9802.00.80.*

Once the U.S. fabricated components have been exported for assembly, there is no restriction against using some foreign-made components and material in combination with the U.S. fabricated components in the assembly process. However, upon return to the United States, only those U.S. components which meet all the requirements of subheading 9802.00.80 are eligible for the duty allowance provided by this provision.

Excluded Components

Moreover, the duty allowance of 9802.00.80 is not applicable to any fabricated component exported from the Customs territory of the U.S.:

- (a) From continuous customs custody with remission, abatement, or refund of duty;
- (b) With benefit of drawback;
- (c) To comply with any law of the United States, or regulation of any Federal agency requiring exportation; or
- (d) After manufacture or production in the U.S. under subheading 9813.00.05, HTSUS (*i.e.*, articles admitted temporarily under bond for repair, alteration or processing, including processes which result in articles manufactured or produced in the United States).

Acceptable Assembly Operations

It is of paramount importance that the assembly operations performed abroad that involve the U.S. fabricated components do not exceed the strict criteria provided by subheading 9802.00.80, HTSUS. If these criteria are exceeded, and the U.S. fabricated components are subject to processes that exceed acceptable assembly operations, other than incidental operations (see below), the fabricated components are not eligible for subheading 9802.00.80 treatment. Acceptable assembly operations may consist of any method used to join or fit together solid components: *e.g.*, welding, soldering, riveting, force fitting, gluing, laminating, sewing, or the use of fasteners. The mixing or combining of liquids, gases, chemicals, food ingredients, and amorphous solids, either with each other or with solid components, is not regarded as an assembly process. Other illustrations of acceptable operations can be found in the Customs regulations at 19 CFR 10.16(a).

Operations “Incidental” to the Assembly Process

However, operations incidental to the foreign assembly process, whether performed before, during, or after assembly, are allowed. Examples of such operations are described in the Customs regulations at 19 CFR 10.16(b) and include:

- cleaning;
- the removal of rust, grease, paint or preservative coating;
- the application of preservative paint, coating or lubricant; trimming, filing or removing of small amounts of excess material; and
- the final calibration, testing, marking, sorting, and pressing of assembled articles.

Cutting materials into specific shapes and patterns abroad is NOT permissible; however, the cutting to length of materials exported in a continuous length (*i.e.*, bolts of fabric, wire, thread, tape, foil, and similar products) is permissible as an operation incidental to the assembly process, as is trimming.

Operations “Not Incidental” to the Assembly Process

While operations “incidental” to the assembly process are permissible, any significant process, operation or treatment whose primary purpose is the fabrication, completion, physical or chemical improvement of a U.S. fabricated component will preclude the application of the duty exemption provided by 9802.00.80. Examples of such operations are described in the Customs regulations in 19 CFR 10.16(c) and include:

- the melting of exported ingots and pouring of the metal into molds to produce cast metal parts;
- cutting garment parts according to pattern from exported material;
- painting which is primarily intended to enhance the appearance of an article or to impart distinctive features or characteristics;
- the chemical treatment of components or assembled articles that imparts new characteristics, such as showerproofing, permapressing, sanforizing, dyeing or bleaching of textiles;
- machining, polishing, burnishing, peening, plating (other than plating incidental to assembly), embossing, pressing, stamping, extruding, drawing, annealing, tempering, case hardening, and
- *any other operation, treatment or process which imparts significant new characteristics or qualities to the article affected.*

Value of Fabricated Components

As discussed further in the section on **Valuation**, it is necessary to calculate the full value of the imported merchandise. The allowance for those U.S.-manufactured components eligible for 9802.00.80 treatment will be predicated on the cost or value of each component, Free On Board (*F.O.B.*), *the U.S. port of exportation*. This *F.O.B.*

value should include the purchase price or, if not purchased, the cost to acquire or manufacture the components and the costs of freight and insurance incurred up to the time of the components' arrival at the port of exportation.

Entry

All merchandise arriving in the United States must be entered in accordance with U.S. customs laws and regulations. The various types of entries and the documents required for each type of entry are discussed in the Customs publication *"Importing into the United States."*

The entry requirements for merchandise entered under the provisions of 9802.00.80 are generally the same as those for all imported merchandise.

Section 481 of the Tariff Act of 1930, as amended (19 U.S.C. 1481), requires that when making entry, an importer shall present to Customs a commercial invoice that provides

- a full description of the merchandise being imported (e.g., commercial name, the grade or quality, quantities in weights and measures, etc.),
- the details of the transaction (e.g., whether an outright purchase, consignment, intracompany transfer or other type of transaction),
- the purchase price of each item in the currency of the purchase,
- the type of currency,
- all charges upon the merchandise (including commissions, insurance, freight, cases, containers, coverings, and cost of packing),
- all rebates, drawbacks and bounties, etc., and
- the circumstances surrounding the shipment of the merchandise (e.g., port of entry, the place from which shipped, the time when and the person to whom shipped, etc.).

For additional information, importers may wish to consult the informed compliance publication entitled *"What Every Member of the Trade Community Should Know About: Records and Recordkeeping Requirements."*

Additionally, for transactions for which preferential tariff treatment under 9802.00.80 is claimed, there must be filed, in accordance with section 10.24 of the Customs Regulations:

- 1) A *Declaration by the Foreign Assembler*, executed by the person who performed the assembly operations abroad, that in substantially the following format, states:

I, _____, declare that to the best of my knowledge and belief, the _____ were assembled in whole or in part from fabricated components listed and described below, which are products of the United States.

Marks of identification, numbers	Description of component	Quantity	Unit value at time and place of export from United States	Port and date of export from United States	Name and address of manufacturer
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- 2) An *Endorsement by the Importer*, executed by the importer, that in substantially the following format, states:

I declare that to the best of my knowledge and belief, the (above), (attached) declaration, and any other information submitted herewith, or otherwise supplied or referred to, is correct in every respect and there has been compliance with all pertinent legal notes to the Harmonized Tariff Schedule of the United States (19 U.S.C. 1202).

Date	Signature
Address	Capacity

Normally, if the pertinent data (*i.e.*, assembly description, list of U.S. components, their unit costs, *etc.*) is on file at the appropriate customs office, entry may be made by referring to this information. Specific cost data or other necessary information may be required, however, with each entry depending upon the procedure agreed to by the importer and the import specialist.

Sources of Information

The importer has the primary responsibility for supplying the information needed by Customs. Some of this information will be in the importer's own records. In other cases, however, the importer will have to make arrangements for the foreign assembler to supply the information. In either case, the information used is that which is contained in the commercial accounts of the importer and/or assembler, and it is subject to review and audit by the Customs Service.

Updating Information

Information submitted to Customs must be both factual and current, and the importer has the responsibility to notify Customs whenever there is any significant variation from the data on file. Cost data should be updated whenever there is a significant change in basic labor costs, fringe benefits paid to assembly workers, material costs, assist costs, general expenses, or other cost factors that affect the monies paid by the importer for the imported merchandise. In addition, Customs should be informed when there is a change either in the country of origin of the components or

a change in the assembly operation. In any case, updated cost data should be furnished at least every six months.

In making entry, the importer should constantly be alert to insure that documents submitted to Customs are complete and truthful in every respect. Serious consequences can follow inadvertent or willful distortion of facts involved in entering merchandise.

Valuation

Many importers have the misconception that duty under 9802.00.80 is based upon the “value added” abroad. Instead, the law requires that the appraised value of the merchandise be determined first; only then is an allowance made for the cost or value of those components which are products of the United States and that meet all the requirements of subheading 9802.00.80 for purposes of duty assessment on the merchandise.

For the purposes of establishing the appraised value of the merchandise imported under subheading 9802.00.80, the valuation principles of Section 402 of the Tariff Act, as amended (19 U.S.C. 1401a), and the judicial and administrative precedents concerning value apply equally to goods imported under subheading 9802.00.80 as to any other imported merchandise. Thus, 9802.00.80 merchandise may be appraised on the basis of transaction value, deductive value, computed value, or other appropriate statutory basis. The allowance for U.S.-manufactured components eligible for 9802.00.80 treatment ordinarily will be predicated on the cost of each component at the time of last purchase.

The primary method of appraisement for imported merchandise is transaction value. The transaction value of imported merchandise is defined as the price actually paid or payable for the merchandise when sold for exportation to the United States, plus certain enumerated items. If transaction value cannot be determined, then the next statutorily acceptable basis of appraisement will be used. When imported merchandise is appraised under computed value, for example, the value includes the sum of the cost or value of the materials and the fabrication and other processing, and an amount for profit and general expenses, any assists, and packing costs. The elements of computed value are discussed below in more detail.

Material and Components

The material cost, for Customs purposes, is that cost contained in the accounts of the producer or assembler of:

- (a) purchased material, including transportation and freight costs to the assembly factory, or
- (b) if not purchased, the cost of manufacture of the material.

If the material is supplied to the assembler at no cost or at a reduced cost, this material cost is also to be included. Such material costs will be further discussed under the subsection entitled “Assists.”

The cost of materials as reflected in the books of the foreign assembler will be used, provided that the cost is consistently applied and is in accordance with generally acceptable accounting principles in the country of production and in the industry concerned.

The 9802.00.80 U.S. fabricated component costs or value is explained in the section discussing the “**Applicability of Subheading 9802.00.80**” in the subsection entitled “*Value of Fabricated Components*.”

Foreign Plant Expenses

Labor and Fabrication Costs – relate to both direct and indirect expenses necessary for the assembly of the imported article. These expenses, as reflected in the company’s commercial accounts, are to be considered in determining the value of the merchandise for customs purposes.

General and Administrative Expenses – cover all other costs that are involved in the foreign operation that support the labor and fabrication operation, such as equipment, rent, electricity, and all other supportive facilities, administration, etc. These examples are not meant to be exhaustive; the cost or value of the categories that will ultimately be considered is dependent upon the manner in which they are contained in the accounts of the assembler, provided that the company’s commercial accounts are consistent with generally accepted accounting principles applied in the country of production of the imported merchandise.

Assists

“Assists” are certain items and services which were furnished directly or indirectly by the importer or buyer to the assembler at less than full cost or value for use in the production of the imported article. Assists are limited to:

- materials, components, parts and similar items incorporated in the production of imported merchandise,
- tools, dies, molds, and similar items used in producing the imported merchandise,
- merchandise consumed in producing the imported merchandise, and
- engineering, development, artwork, design work, plans and sketches that are undertaken outside the United States.

Materials and Components

If materials and components are supplied free of charge to the foreign assembler, the value of this material assist will be the cost to the importer to acquire it, plus any transportation and insurance costs to ship the material to the assembly plant.

If the materials and components were produced by the importer or a related party, the value of the assist would be the cost to manufacture the material plus the transportation costs to deliver the material to the assembler's facility. The value of the merchandise consumed in producing the imported merchandise is determined in the same manner as the value of the materials and components.

Tools, Dies, Molds and Similar Items

Where tools, dies, molds and similar items are used in the production of the imported merchandise, the value of the assist would be the cost to the importer to acquire it. If the assist was produced by the importer or a related party, the value would be the cost to manufacture the assist. Any previous use or repairs and modifications that affect its current value should be taken into consideration in arriving at the current value of the assist. The transportation costs to the assembler's plant are also included in the assist value.

The assist value will be apportioned over the imported merchandise in a reasonable manner and in accordance with generally accepted accounting principles.

Engineering, Development, Artwork, Design work, Plans, Sketches, etc.

These will *not* be treated as an assist if the service or work is:

- (1) performed by a person domiciled in the United States,
- (2) performed while that person is acting as an employee or agent of the buyer of the imported merchandise, and
- (3) incidental to other engineering, development, artwork, design work, plans or sketches undertaken within the United States.

Finally, whether considering the value of materials, foreign plant expenses or assists, it is the facts and the evidence substantiating the claims that underlie the determination of the value or costs of these items that will be utilized for customs entry. Only after the value of all items has been determined will any applicable 9802.00.80 allowance be applied. Accordingly, it is strongly advised that the importer establish close communication and cooperation with the appropriate import specialist at the port of importation.

Country of Origin Marking

Goods for which a claim under 9802.00.80 is made are subject to the requirements of the country of origin marking statute, section 304, Tariff Act of 1930, as amended (19 U.S.C. 1304). Section 304 requires an article of foreign origin (or its container) imported into the United States to be marked with the English name of the country of origin of the article, as legibly, indelibly and permanently as the nature of the article (or container) will permit. The country of origin of an article is the country of manufacture, production or growth of the article. If further work or material added to an article in another country constitutes a substantial transformation – that is, a new article with a different name, character and use is created – then that country will be determined to be the country of origin of the article. In general, a complex assembly of many parts will constitute a substantial transformation. By contrast, a simply assembly will generally not constitute a substantial transformation.

Country of Origin Marking for Goods of a NAFTA Country

For Customs marking purposes, the country of origin of a good of a NAFTA country will be determined by applying the NAFTA marking rules, published in the Customs Regulations at 19 CFR Part 102.

Country of Origin of Textiles and Apparel Products

The country of origin for textiles and apparel products, except for those processed in Israel, is determined by section 334 of the Uruguay Round Agreements Act, codified in the United States Code at 19 U.S.C. 3592 and implemented by 19 CFR 102.21. In general, the rules of 19 CFR 102.21 provide that the assembly of cut components will confer origin, but the cutting of fabric to shape will not confer origin. Although foreign fabric cut to shape in the U.S. is not considered a product of the United States, the value of these textile components is not included in the dutiable value of the article, as provided in 19 CFR 10.25. Fabric woven in the U.S. and cut to shape in the U.S. and assembled abroad may be entered under subheading 9802.00.80. The country of origin for textile and apparel products processed in Israel is determined in accordance with 19 CFR 12.130(c), which provides generally that the origin of most garments is the country in which the components are cut to shape, although for tailored or complex garments, the country of origin is the country in which the garments are wholly assembled. For more information on this topic, see Customs informed compliance publication entitled *“What Every Member of the Trade Community Should Know About: Textile & Apparel Rules of Origin.”*

The requirements regarding labeling, radiation standards, flame-retarding properties, etc., that are applicable to imported textile and apparel articles are equally applicable to 9802.00.80 merchandise. Quota and visa requirements also apply to 9802.00.80 merchandise. The Federal Trade Commission (FTC) has labeling requirements that may apply. For more, please consult Customs informed compliance

publication entitled, *“What Every Member of the Trade Community Should Know About: Marking Requirements for Wearing Apparel.”*

Special Programs and Special Rules AGOA and CBTPA

On May 18, 2000, Public Law 106-200, the Trade and Development Act of 2000 (the “Act”), was signed into law. Title I of the Act, which is entitled “African Growth and Opportunity Act” (the “AGOA”), extends certain trade benefits to sub-Saharan Africa. Title II, which is entitled the “United States-Caribbean Basin Trade Partnership Act” (the “CBTPA”) provides certain benefits to countries and territories in the Caribbean Basin.

Certain textile and apparel articles that are imported directly into the customs territory of the United States from an eligible beneficiary sub-Saharan African country or an eligible beneficiary CBTPA country will enter the United States free of duty and free of any quantitative limitations, if the country has satisfied the requirements set forth in the Act. The Harmonized Tariff Schedule of the United States (HTSUS) has been amended by inserting new U.S. notes in subchapter II of chapter 98 and new subchapters XIX and XX in chapter 98 to cover the new benefits. The 9802.00.80 provisions which were added by this legislation are:

- Apparel articles assembled in one or more beneficiary sub-Saharan African countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States, (including fabrics not formed from yarns, if those fabrics are classifiable under heading 5602 or 5603 of the Harmonized Tariff Schedule of the United States (HTSUS) and are wholly formed and cut in the United States) that are entered under subheading 9802.00.80 of the HTSUS (new subheading **9802.00.8042**);
- Apparel articles assembled in one or more CBTPA beneficiary countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States, (including fabrics not formed from yarns, if those fabrics are classifiable under heading 5602 or 5603 of the HTSUS and are wholly formed and cut in the United States) that are entered under subheading 9802.00.80 of the HTSUS (new subheading **9802.00.8044**);
- Textile luggage assembled in a CBTPA beneficiary country from fabric wholly formed and cut in the United States, from yarns wholly formed in the United States, that is entered under subheading 9802.00.80 of the HTSUS (new subheading **9802.00.8046**);

The 9802.00.80 provisions under both the AGOA and CBTPA have their own rules, including rules on the treatment of findings and trimmings, specific interlinings, and *de minimis* for fibers or yarns which would otherwise not qualify. In addition, there are special requirements regarding certificates of origin, direct importation and recordkeeping. These new 9802.00.80 provisions are briefly discussed above for

information. However, readers are advised to read the new informed compliance publications entitled:

- *“What Every Member of the Trade Community Should Know About: The African Growth and Opportunity Act,”* and
- *“What Every Member of the Trade Community Should Know About: The U.S.-Caribbean Basin Trade Partnership Act”*

for detailed discussions of the provisions and requirements which apply to these provisions. Both of these publications are available for reading or downloading from the U. S. Customs web site (see **Additional Information** section, below).

Mexico

In addition to the provisions listed above, there is a special provision in subheading **9802.00.90** for certain textile and apparel goods assembled in Mexico. This provision covers:

- Textile and apparel goods, assembled in Mexico in which all fabric components were wholly formed and cut in the United States, provided that such fabric components, in whole or in part, (a) were exported in condition ready for assembly without further fabrication, (b) have not lost their physical identity in such articles by change in form, shape or otherwise, and (c) have not been advanced in value or improved in condition abroad except by being assembled and except by operations incidental to the assembly process; provided that goods classifiable in chapters 61, 62 or 63 of the HTSUS may have been subject to bleaching, garment dyeing, stone-washing, acid-washing or perma-pressing after assembly.

Obtaining Pre-Importation (Advance) Rulings

Normally, appraisal and classification decisions will be made by the local import specialist. However, these decisions are advisory in nature. A formal binding ruling may be obtained by contacting the Office of Regulations and Rulings. A request for a ruling regarding either valuation or the eligibility for merchandise for the duty allowance provided by subheading 9802.00.80 should be addressed to the Assistant Commissioner, Office of Regulations and Rulings at the following address:

Office of Regulations and Rulings
Commercial Rulings Division
U.S. Customs Service
1300 Pennsylvania Avenue, NW
Washington, D.C. 20229

A request for a ruling regarding the tariff classification of an imported article should be addressed to the Director, National Commodity Specialist Division at the following address:

Office of Regulations and Rulings
National Commodity Specialist Division
U.S. Customs Service
6 World Trade Center
Room 423
New York, NY 10048

Laws and Regulations

Previous editions of this publication have included the full text of the laws, regulations and tariff provisions which were in effect at the time of publication. Unfortunately, this practice can result in reliance by the public on obsolete or amended provisions when changes in the law, regulations or tariff provisions occur. Accordingly, in this edition, citations to web sites on the Internet are given. In general, these sites have the most current electronic versions:

- The *Tariff Act of 1930* (contained in title 19, United States Code) is available from the Legal Information Institute at the Cornell University Law School web site: <http://www.law.cornell.edu/uscode/unframed/19/index.html>
- The *Customs Regulations* (contained in title 19, Code of Federal Regulations) are available from the U.S. Government Printing Office "access.gpo" site: <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1>
- The *Harmonized Tariff Schedule of the United States* (HTSUS) is available from the U.S. International Trade Commission in a variety of formats from: <http://www.usitc.gov/taffairs.htm>

Additional Information

The U. S. Customs Service's home page on the Internet's World Wide Web, provides the trade community with current, relevant information regarding Customs operations and items of special interest. The site posts information -- which includes proposed regulations, news releases, Customs publications and notices, etc. -- that can be searched, read on-line, printed or downloaded to your personal computer. The web site was established as a trade-friendly mechanism to assist the importing and exporting community. The web site contains the most current electronic versions of, or links to:

- Customs Regulations and statutes
- Federal Register and public information notices
- The Customs Bulletin and Decisions
- Binding Rulings
- Publications including-
 - *Importing Into the U.S.*
 - other Informed Compliance Publications in the "What Every Member of the Trade Community Should Know About:..." series

- *Customs Valuation Encyclopedia*
- Video Tape availability and ordering information
- Information for small businesses

The web site links to the home pages of many other agencies whose importing or exporting regulations Customs helps to enforce. The web site also links to the Customs Electronic Bulletin Board (CEBB), an older electronic system on which Customs notices and drafts were posted. Since December 1999, the CEBB has been only accessible through the web site. Finally, Customs web site contains a wealth of information of interest to a broader public than the trade community -- to international travelers, for example.

The Customs Service's web address is <http://www.customs.gov>.

The information provided in this publication is for general information purposes only. Recognizing that many complicated factors may be involved in customs issues, an importer may wish to obtain a ruling under Customs Regulations, 19 CFR Part 177, or obtain advice from an expert (such as a licensed customs broker, attorney or consultant) who specializes in Customs matters. Reliance solely on the general information in this pamphlet may not be considered reasonable care.

Additional information may also be obtained from Customs ports of entry. Please consult your telephone directory for a Customs office near you. The listing will usually be found under U.S. Government, Treasury Department.

“Your Comments are Important”

The Small Business and Regulatory Enforcement Ombudsman and 10 regional Fairness Boards were established to receive comments from small businesses about federal agency enforcement activities and rate each agency's responsiveness to small business. If you wish to comment on the enforcement actions of U.S. Customs, call 1-888-REG-FAIR (1-888-734-3247).



**U.S. Customs Service
Washington, D.C. 20229**

**Please visit the U.S. Customs Service Web Site at <http://www.customs.gov>
TO REPORT DRUG SMUGGLING
1(800) BE ALERT**